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Mr. Jon Costantino Climate Change Planning Section Manager California Air Resources Board 1001 "I" Street P.O. Box 2815 Sacramento, CA 95812

Dear Mr. Costantino:

SUBJECT: Comments on the June Discussion Draft Scoping Plan

Thank you for the opportunity to provide comments on the California Air Resources Board (CARB) June Discussion Draft Scoping Plan (Scoping Plan) for implementing AB 32. The following draft comments are being presented to SANDAG's Board of Directors, but will not receive their input prior to the August 11 submittal deadline. SANDAG intends to submit additional comments if the Board of Directors identifies additional issues after they have discussed the Scoping Plan. SANDAG has contributed its perspective to a number of state climate change initiatives, including the Climate Action TeamLand Use Subgroup and the California Transportation Commission Regional Transportation Plan guidelines update, and we value the opportunity to participate in the Scoping Plan process. As a metropolitan planning organization and council of governments, SANDAG is particularly interested in the effect of AB 32-associated plans and regulations on local and regional agencies.

This draft Scoping Plan begins to define local and regional responsibilities under AB 32. SANDAG has several preliminary comments that, if addressed, would facilitate local contributions to state greenhouse gas goals, as follows:

 On page 11, emissions associated with Local Government Actions and Regional GHG Targets are shown to be included under the cap and trade program. The Plan leaves many unanswered questions about how this would be implemented.

Local and regional agencies' transportation and land use planning activities were not recommended for inclusion in a cap and trade program in previous AB 32-associated documents. The Climate Action Team Land Use Subgroup (LUSCAT) did not recommend that land use and transportation planning agencies be subject to cap and trade

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provisions. Parts of the Plan describe the cap and trade scope as including the "transportation sector" and the "transportation fuels sector," making it unclear which entities and activities would be included. Clarification of this item is needed to enable SANDAG and other regional transportation planning agencies to plan appropriately.

- 2. The Plan should highlight the importance of recognizing early action on the part of local and regional agencies, particularly if they are to be included in a cap and trade program. If agencies make difficult decisions to cut GHG emissions through planning prior to the start of a regulatory program, and are able to appropriately document the GHG savings, then those reductions should be accounted for in developing business-as-usual assumptions, regulatory targets, and any allocation of allowances under a cap and trade program.
- 3. Several transportation demand management (TDM) measures are currently under evaluation but are not included in the recommendations. If CARB finds that they are feasible and cost-effective, including TDM measures would be a beneficial approach for reducing VMT-associated emissions. SANDAG analysis has shown that in the short- to medium-term, TDM measures can significantly reduce VMT and GHG emissions. Further, they can provide flexibility in meeting regional VMT-related GHG targets in a cost-effective manner. Many TDM measures can be implemented at the regional level, and if regional implementation becomes desirable, emissions reductions from those measures should count toward regional transportation targets.
- 4. The Plan appropriately highlights the potential for TDM programs to reduce trips and VMT. Regarding work-related trips, employer programs for telecommuting and alternative work schedules may be very effective. However, the Plan characterizes only two approaches to designing these employer programs: "mandatory" versus "voluntary." The Plan also should evaluate how incentives may help to motivate employers to deliver teleworking and alternative work schedule programs and benefits to their employees.
- 5. The land use planning, transportation planning, and TDM measures described all have the effect of shifting travel to transit. While the cost-benefit analysis in Appendix C claims that these strategies will have net benefits for public agencies as a whole, the benefits will not be experienced equally by different agencies, and transit agencies are likely to bear higher capital and operating costs associated with serving a higher proportion of regional travel. The Plan should make clear that the state is committed to providing transit funding sufficient to the task of meeting the regional transportation targets.
- 6. The Scoping Plan presents all recommended local and regional actions under its "Local Government Actions and Regional GHG Targets" recommendation. However, the Plan should also recognize the role that these agencies will play in achieving various other recommendations in the Plan. For example, local government discretion over building standards could be a critical piece in reaching targeted emissions reduction in Energy Efficiency. Similar omissions are present in the Water Sector, Landfill Methane Capture, and Goods Movement recommendations, all of which are affected by local and regional decision-making. The Plan should clarify the anticipated capacities of local governments in obtaining reductions under these other strategies, and differentiate those from the roles anticipated in the Local Government Action recommendation.

- Within the draft Scoping Plan, there is no mention of special districts or an acknowledgement of 7. their inherent influence on the ability of cities and counties to meet GHG emissions reduction goals. The Scoping Plan refers alternatively to "local governments" and "cities and counties," with no mention of the many other service providers which are establishing programs and policies within the boundaries of those jurisdictions. While some of these districts have a concurrent reporting responsibility equal to that of the local governments, there is no requirement or incentive for coordination of efforts at the local scale. Many of the strategies identified in the draft Scoping Plan rely upon behavioral changes of individuals. Behaviors occur within the personal geographies of our citizens, without regard to official jurisdictions of agencies. If citizens are to make changes, they will require the support of coordinated services that enable them to continue functioning effectively. Within local jurisdictions, land use policies can direct uses to core areas and areas proximate to transit. Those policies are useless, however, unless the transit system supports increased ridership and the infrastructure priorities of the utility districts ensure adequate facilities are built. Local jurisdictions can educate citizens on the importance of VMT reductions, but that effort is wasted if districting ensures that parents must drive their children to school. Jurisdictions can mandate green site design through the use of reclaimed water, but that effort is fruitless if the water district does not have facilities in place for treatment and distribution.
- 8. The Plan should be more explicit about how revenues generated from carbon fees or cap and trade allowance auctions would be utilized to implement VMT reduction measures. For example, both of the two prominent climate change bills recently debated in the U.S. Congress specified a certain percentage of revenues that would be directed to transit. Further, revenues should be protected and reserved for climate change-related activities.
- 9. Finally, SANDAG has one comment on the organization of the Plan. The Local Government Actions and Regional GHG Targets recommendation is inconsistent with the organization of other recommendations in the Plan. In Table 2, Recommended Greenhouse Gas Reduction Measures, each recommended strategy is associated with an emitting sector, such as transportation or electricity; elsewhere in the document, emissions are categorized by these emitting sectors. However, in Table 2, Local Government and Regional GHG Targets is associated with a "Land Use and Local Government" sector that is not used elsewhere. In general, the sectors should be consistently characterized as either emitting sectors (electricity, transportation, residential) or mitigating sectors (green building, land use, water), but not as a mix of both.

In conclusion, the draft of the Scoping Plan reflects the considerable time and effort invested by CARB in understanding local and regional issues, particularly with regard to transportation. At the same time, we suggest that CARB do more to engage regional agencies in designing the regional targets program and developing the targets themselves, and we wish to express our ongoing willingness to collaborate with CARB in a meaningful capacity. We look forward to addressing any questions you may have and reviewing the next draft of this important document.

Sincerely,

Executive Directo

GLG/RRU/cda

Z. Gallogos